

EXHIBIT II

100020

57281

Monsanto

SPECIALTY CHEMICALS DIVISION

MONSANTO INDUSTRIAL CHEMICALS CO.
800 N. Lindbergh Boulevard
St. Louis, Missouri 63186
Phone (314) 694-1000

February 17, 1977

Mr. Dennis Ibrahim
Materials Manager
Aerovox Industries, Inc.
740 Belleville Avenue
New Bedford, Massachusetts 02741

Dear Mr. Ibrahim:

Based on your December forecast, Monsanto is scheduling shipments to you of approximately 1710M pounds (U.S. and Canada) of Aroclor 1016 during the September/October 1977 time frame. As we have already stated several times, a portion of this volume will likely be in drums. However, most of the material will be in tank car shipments.

It is our desire to have all tank cars returned to Monsanto no later than March 31, 1978. Certainly, we expect most of the cars to be returned before this date. As cars are emptied, we are requesting immediate release for return to Monsanto.

Therefore, I would like to request your best estimate of the schedule you will follow in unloading the tank cars and returning the empty cars to Monsanto. Please complete the attached form indicating your anticipated schedule.

There are some additional points we want to make concerning the final trips for our Aroclor tank cars.

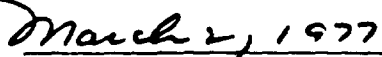
- A) The tank cars will be restricted to direct movements from our plant at Sauget, Illinois to your plant location and direct return to Sauget unless otherwise authorized in writing by Monsanto.
- B) In the event that any tank car is returned not completely emptied, you will be charged as follows:
 - 1. Freight for the fluid in the car on the return trip to Monsanto,
 - 2. Freight for the fluid in the car on the shipment to an incinerator, and
 - 3. The cost of incineration for the returned material.

Mr. Dennis Ibrahim
Page 2
February 17, 1977

- C) If your company falls behind on the established schedule for return of tank cars, Monsanto reserves the right at its discretion to reinstitute demurrage charges on the cars you are still holding.

To indicate your acceptance of the conditions outlined above for return of Monsanto tank cars following our final shipments to you in September/October 1977, please countersign this letter and return it and the attached form promptly to Monsanto.

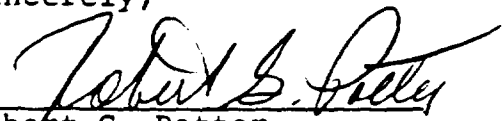

Customer signature


Date

mg

Enclosure

Sincerely,


Robert G. Potter
Business Director
Functional Products

xcc: T.L. Gossage
E.M. Potter
C. Sigler
B.H. Stevenson
D. Wood

Monsanto

EXHIBIT I

MONSANTO INDUSTRIAL CHEMICALS CO.
1114 Avenue of the Americas
New York, New York 10036
Phone: (212) 764-5000

May 30, 1975

Mr. Dennis Ibrahim
Aerovox Industries, Inc.
Belleville Industries
740 Belleville Avenue
New Bedford, MA. 02741

Dear Mr. Ibrahim:

Monsanto Industrial Chemicals Company operates a large fleet of owned or leased tank cars. We are trying to move our bulk chemicals to you in the most expedient manner, while at the same time optimizing the use and cost of operating this fleet. The railroads no longer charge demurrage for rail tank cars of our dielectric fluids and it is, therefore, necessary for us to negotiate a valid trip lease with you on these tank cars.

MICC rail tank cars will be trip leased and detention charges assessed per the following timetable:

	<u>Free Time</u>	<u>Charge per day after Free Time</u>
Tank Cars	7 days	\$30

Free days will be consecutive calendar days beginning the first 7:00 a.m. following customer receipt.

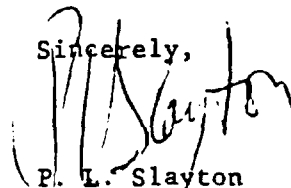
We are enclosing tank car lease contract forms to accomplish this new policy; we would ask that you please sign the original and return it to us while retaining a copy for your files.

Your cooperation in helping us control costs through a better utilization of our equipment is certainly appreciated. Since dielectric tank cars are for a very specific and dedicated service, we know you will help us to optimize their use.

We would appreciate your prompt action in signing and returning this lease within the next ten days.

Thanks very much for your cooperation.

Sincerely,



P. L. Slayton
Regional Sales Manager
Specialty Products Group

PLS/bs
Attachments 2

TANK CAR LEASE

THIS AGREEMENT, dated May 29, 1975, between Monsanto Industrial Chemicals Company, an operating unit of MONSANTO COMPANY, a corporation of the State of Delaware, hereinafter called "Lessor" and Aerovox Industries, Inc. New Bedford, Massachusetts hereinafter called "Lessee."

WITNESSETH:

WHEREAS, Lessor desires to ship Dielectric Fluids (Aroclor 1016) in its private tank car(s) (owned or leased) to the private tracks of Lessee at New Bedford, Massachusetts and

WHEREAS, Lessee desires to use said tank car(s) on its private tracks for the temporary storage of the commodity shipped therein.

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings hereunder, the parties have agreed as follows:

1. This lease becomes effective as to such car(s) from the time of its tender thereof at point of shipment to the railroad for transportation to Lessee and until unloaded and delivered to the railroad as hereinafter provided. Lessor shall mark each rail car by painting, stenciling or boarding thereon the words, "Leased to:" followed by the name of Lessee; and Lessor shall mark the bill of lading or shipping order covering such rail car(s) as provided in Railroad Demurrage Rules.

2. Lessee shall use said car(s) at its own risk for the transportation of said commodity from point of shipment to destination and for storage thereof on its private tracks. Lessee shall use its best efforts to unload the car(s) promptly and minimize the days held following arrival. For each day said car(s) is held in excess of seven (7) consecutive days, Lessee shall pay Lessor as liquidated damages \$10.00 for each day, or part thereof. Arrival dates and release dates shall be determined from railroad car location messages, return bills of lading and postcards from Lessee.

3. During the periods when such car(s) is in the possession or under the control of Lessee, Lessee agrees to and hereby does indemnify, exonerate and save Lessor harmless from and against any loss or damage whatsoever arising through injuries or fatalities to persons or damage to property which may be caused by such car(s) or the commodities stored therein, and further agrees to and hereby does release Lessor from any liability or responsibility whatsoever from damage to or loss of all or any part of the commodities loaded in such car(s) while in the possession or under the control of Lessee.

4. If said car(s) arrives at destination in damaged condition, Lessee shall immediately notify Lessor and the railroad agent at destination of such damage. Lessee shall be responsible for return of car(s) to railroad at destination in accordance with routing instructions given by Lessor, and in the same condition as upon arrival thereof at Lessee's tracks.

5. All mileage allowed by carriers shall accrue to and be collected by Lessor.

6. This Agreement shall not affect or modify any existing agreement between the parties hereto with respect to the conversion or sale of any commodity contained in any rail car leased hereunder and supersedes any heretofore existing leasing agreement between Lessee and Lessor with respect to any rail car(s).

7. This Lease may be terminated by either party by at least fifteen (15) days' notice to the other party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in duplicate.

Aerovox Industries, Inc.
(Lessee)

By _____

MONSANTO INDUSTRIAL CHEMICALS COMPANY
a unit of Monsanto Company

By P.L. Slayton
Regional Sales Manager
Specialty Products Group

3/12/76

100311

TYPE OF PROBLEM	<input type="checkbox"/> QUALITY <input checked="" type="checkbox"/> PLANT SERVICE	<input type="checkbox"/> CARRIER SERVICE <input type="checkbox"/> CONTRACT PRODUCER	<input type="checkbox"/> WHSE. SERVICE <input type="checkbox"/> OTHER	REPORT NUMBER SC-2S	DATE REC'D.
CUSTOMER CORNELL-DUBILIER NEW BEDFORD, MASS.	PRODUCT AROCLOR 1016		DIVISION Spec.Chem.		BUSINESS GRO. Funct.Prod
SHIP TO Same	GRADE	SALES CODE	DATE SHIPPED 02-06-76	SHIPPED FROM Sauget	
	LOT NUMBERS	SHIP NUMBER 8434664	AMT. SHIPPED 91,900	CARRIER MONX 8625	
SAMPLES OR EXHIBITS			PROBLEM AMT.	TRAILER/CAR NO	

STATEMENT OF PROBLEM

Customer reports the car arrived with sides wet with Aroclor 1016, indicating spillage from manhole and relief valve port. Customer says the problem has happened before and since we are trying to rigidly control PCB spills, we ought to insure cars are filled to avoid spills/leaks in transit.

DISTRIBUTION

Initial Report

SALESMAN

M. A. Petrilli-1010

DISTRICT SALES MANAGER

D. Wood-B2SD

COP REPRESENTATIVE

C. Jordan-B2NG

MANAGER PROD. ACCEPTABILITY

J. C. Weber-B1ND

PLANT REPRESENTATIVE

A. Leisy-1740

OTHER

R. Hatton-B2SD

OTHER

E. M. Potter-B2NK

OTHER

FR REQUIRED FROM

R. Williams-1740

ORIGINATOR OF REPORT (SIG.)

M. A. Petrilli-1010

DATE

3/1/76

ARY OF INVESTIGATION

This car was given our routine preshipment head-up check on 2/3/76 before it left the department and was placed on a hold track approx. 300' away. It was checked again on 2/6/76, the day it shipped, and there was no evidence of any spillage. Both inspection sheets attached. A new loading hole gasket was applied on 2/3/76 per our established policy of replacing these gaskets on each shipment.

A check of car upon its return to our plant revealed a problem with safety valve per attached report.

ADDED DISTRIBUTION

Report Answer

FIELD SALES DIRECTOR ST. LOUIS

R. G. Pier-B2SK

PRODUCT SALES MGR. ST. LOUIS

C. Paton-B2SK

MANAGER MANUFACTURING ST. LOUIS

R. A. Pohl-B2SB

MATERIALS MGR. ST. LOUIS

E. M. Potter-B2NK

OTHER

D. Wood/R. Hatton-B2S

OTHER

E. Potter/C. Jordan-B

OTHER

C. Paton/C. Weber-B2S

OTHER

M. A. Petrilli-1010

J. Smith/W. Parker/D. Mayer

INVESTIGATOR (SIG.)

DATE

3/11/76

ACTION AND RECOMMENDATIONS

Proper head-up procedures will be re-emphasized to all our personnel.

We strongly recommend that deviations of this type be communicated to us immediately to enable us to initiate corrective action before the car is returned to our plant and reshipped.

B. R. Williams

3/15/76

100671

DICTATE IN SEQUENCE:

1. HEADING INFORMATION
2. NAMES OF ADDRESSEES
3. NAMES OF CARBONEES
4. IMMEDIATE ACTION NEEDED
5. REPORT ON CALL

REPORT CAPTIONS:

1. OBJECTIVE
2. PERSONS CONTACTED
3. RESULTS
4. ACTION REQUIRED

CUSTOMER NAME Cornell Dubilier		EXHIBIT <u>V</u>		DATE C ^o CALL 2/2/71	
CITY AND STATE New Bedford, Mass.		DATE RECEIVED		DATE TYPED	
CUSTOMER MAILING LIST CHANGES - SERVICE CENTER USE ONLY					
NAME AND TITLE		PUT ON	TAKE OFF	MP	MAG.
PCB / 1555 / 1555					
REGION Eastern		SERVICE CENTER Everett		SALESMAN Randall Graham	

TO ~~James Broadbent~~ - St. Louis CC W.E. Papageorge - St. Louis

MET WITH POLLUTION COMMITTEE: Len Rodericks - Senior Buyer
 Don Sylvia - CEP Division Mgr.
 W.L. Holmgren - Mgr. Manufacturing
 George Alexander - Mgr. Industrial Relations
 Bill Robinson - Chief Eng.
 Ray Hurd - Division Mgr. AC Capacitors
 Curt Lopes - Superintendent Maintenance
 Bill Hitchcock - Mgr. Materials

Discussed program for plant cleanup. Was discouraged on plant tour to see severe PCB water contamination problem in cellar. (Will discuss with Papageorge).

Made following recommendations: 1. More catch pans. 2. Tighten leaks of all types and repair gaskets and seals. 3. Install oil skimmer on large sump also install separate settling basin with oil skimmer and other mechanical means for removing PCB's dissolved in water. 4. Fullers earth being used as a crutch instead of good maintenance practices. 5. Excessive vapours even when impregnation department is idle. This should be corrected.

Due to the high water table and poor drainage it is necessary to have pumps running continuously to prevent flooding of the cellar where the impregnation dept. is located. The affluent is pumped into both the city sewer and into storm drainage system. In the cellar side troughs collect water and Aroclor spills and holes have been cut through the cement floor and sump pumps installed to keep water level down. Everything drains to a central sump about 10' x 10' x 6'. Inspected sump and a heavy layer of pump oil and Aroclor was noted on surface.

ATTN. BILL PAPAGEORGE: Feel this is one of the most serious PCB pollution problems in industry. You may want to tour this plant during second quarter. This will allow them to take some actions in correcting outstanding problems.

Hollins Purle quoted on incineration of scrap PCB's both liquid and solid Oct. 13, 1970: Aroclor liquid in 4,000 gal. tankwagon \$16.00 per drum (also a \$16.00 per hr. pump out charge) plus \$450.00 per load transportation to N. J. incinerator. A charge of \$11.40 per drum for Fullers earth saturated with Aroclor plus \$450.00 per load transportation and a \$7.50 per drum for rags containing PCB's plus the usual transportation charge.

Im: Calculate these out as a gal. and lb. basis and give me a copy of your results. 4.03

Thanks; JTC

100618

DICTATE IN SEQUENCE:

1. HEADING INFORMATION
2. NAMES OF ADDRESSEES
3. NAMES OF CARBONEES
4. IMMEDIATE ACTION NEEDED
5. REPORT ON CALL

REPORT CAPTIONS:

1. OBJECTIVE
2. PERSONS CONTACTED
3. RESULTS
4. ACTION REQUIRED

CUSTOMER NAME Cornell Dubilier		EXHIBIT IV		DATE OF CALL 6/16/70	
CITY AND STATE New Bedford, Mass.		DATE RECEIVED		DATE TYPED	
CUSTOMER MAILING LIST CHANGES - SERVICE CENTER USE ONLY					
NAME AND TITLE		PUT ON	TAKE OFF	MP	MAG.
REGION Eastern		SERVICE CENTER Boston		SALESMAN R. Graham	

TO P.G. Benignus CC Bill Papageorge

PERSONNEL CONTACTED: Curtis Lobes, Superintendent of Maintenance
Bill Robinson, Chief Engineer
L. Rodericks, Purchasing Agent
Ray Hurd, Division Manager AC Capacitors

Call made with Bill Papageorge.

AROCLOR:

Bill discussed the PCB problem. Cornell Dubilier at recent city council meeting on pollution of the Acushnet River.

Cornell Dubilier reports that 90 to 95% of the Aroclor purchased is shipped out in capacitors and the remainder is probably lost the scrap material. Present procedure is for scrap material to be dumped in an abandoned sand quarry in-land away from water. For years both Cornell Dubilier and Aerovox have been dumping scrap capacitors on Sullivan's Ledge which is located on a hill. This material will eventually flow down hill into water.

Papageorge recommended that material being dumped in old sand quarry in North Dartmouth be placed into used Aroclor drums. He pointed out need to plan to discontinue this type of disposal, and recommended they return for incineration.